FILE COPY

Office - Supreme Court, U. S.
FILED
MAR 16 1946
CHARLES ELMORE CROPLEY

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1945

No. 961

CHARLES B. MORRIS,

Appellant,

vs.

PAUL F. JONES, DIRECTOR OF INSURANCE OF THE STATE OF ILLINOIS

APPEAL FROM THE SUPREME COURT OF THE STATE OF ILLINOIS

MOTION TO DISMISS OR AFFIRM

FERRE C. WATKINS,
General Counsel,
Department of Insurance of the State of Illinois;
OTIS F. GLENN,
RAYMOND G. REAL,
OTTO W. BARNES,
Counsel for Appellee.
N. P. Parkinson,

INDEX

Subject Index

	Page
Motion to dismiss or affirm	1, 15
This is not a case "where there is drawn in question the validity of a statute of any state on the ground of its being repugnant to the Constitution, treaties, or laws of the United States."	2
The validity of a State statute is not involved in this proceeding for the further reason that the ex parte judgment of appellant is void	7
The Illinois Insurance Code provides a complete method for the liquidation of an insolvent insurance company of the State of Illinois. All parties interested in an insolvent insurance company of the State of Illinois, whether residents within or without the State of Illinois, are bound by the provisions of the Code governing the liquidation of such a company. The present case, therefore, presents no substantial Federal question worthy of review in this Court	8
The decision of the Supreme Court of Illinois is not repugnant to the full faith and credit clause of the Constitution of the United States or to the laws enacted thereunder	13
Conclusion	14

Table of Cases Cited

Adams v. *Saenger*, 303 U. S. 59, 82 L. Ed. 649	13
Chicago, etc., Ry. Co. v. *Wiggins Ferry Co*, 119 U. S. 622, 30 L. Ed. 519, 7 Sup. Ct. 398	13
Clark v. *Williard*, 292 U. S. 112	5, 9
Commonwealth of Pennsylvania v. *Williams*, 294 U. S. 176	5, 9, 12
Converse v. *Hamilton*, 224 U. S. 243, 56 L. Ed. 749	14
Evans v. *Illinois Surety Co.*, 319 Ill. 105	13
Gasquet v. *La Peyra*, 242 U. S. 673, 61 L. Ed. 367, 37 Sup. Ct. 165	14

Page

Gordon v. *Ominsky*, 294 U. S. 186 13
Hanley v. *Donoghue*, 116 U. S. 3, 29 L. Ed. 535, 6 Sup. Ct. 242 6
Harkin v. *Brundage*, 276 U. S. 36 14
McDonald v. *Pacific States Life Ins. Co.*, 343 Mo. 1232, 124 S. W. (2d) 1157 ..... 6, 14
Penn General Casualty Co. v. *Pennsylvania*, 294 U. S. 189 ..... 5, 9, 12
Relf v. *Rundle*, 103 U. S. 222, 26 L. Ed. 337 14
Vallely v. *Northern Fire & Marine Ins. Co.*, 254 U. S. 348 14

STATUTES CITED

Constitution of the United States, Article IV, Section 1 14
Illinois Insurance Code of 1937:
Art. V, Sec. 87 (P. 699 of Chapter 73 of the Ill. Revised Statutes of 1945) 7
Art. XIII, Sec. 189 (P. 801 of Chapter 73 of the Ill. Rev. Statutes of 1945) 10
Art. XIII, Sec. 191 (Par. 803 of Chapter 73 of the Ill. Rev. Statutes of 1945) 9
Art. XIII, Sec. 194 (P. 806 of Chapter 73 of the Ill. Rev. Statutes of 1945) 9
Judicial Code, Section 237(a) (28 U. S. C. 344a) 3
Missouri Revised Statutes (1929), Sec. 5947 ..... 13, 14
National Bankruptcy Act (11 U. S. C. A. Sections 22a and 22b) 14
Ruling Case Law, Volume 5, p. 927 12

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1945

No. 961

PEOPLE OF THE STATE OF ILLINOIS, EX REL. PAUL F. JONES, DIRECTOR OF INSURANCE OF THE STATE OF ILLINOIS, *(Petitioner) Appellee,*

vs.

CHICAGO LLOYDS, *(Respondent) Appellee,*

CHARLES B. MORRIS, *(Claimant) Appellant*

APPELLEE'S STATEMENT DISCLOSING MATTER OR GROUND MAKING AGAINST THE JURISDICTION OF THE SUPREME COURT OF THE UNITED STATES AS ASSERTED BY APPELLANT, FILED IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH 3, RULE 12, OF THE SUPREME COURT OF THE UNITED STATES, AND MOTION TO DISMISS APPEAL OR AFFIRM THE JUDGMENT OF THE SUPREME COURT OF ILLINOIS.

The basic issue involved in this case is: whether a prior Illinois judgment which vests an insolvent insurance estate in a Liquidator for the purpose of having it distributed

according to the Illinois Statutes is entitled to priority over an ex parte judgment entered in Missouri against the insolvent insurance company three years after the entry of the liquidation order in the Illinois Court. The Missouri claimant, who took an ex parte judgment with knowledge of the Illinois liquidation order and presumptive knowledge of the Illinois Liquidation Statutes, claims that his judgment is entitled to full faith and credit, and that he does not need to prove up his claim in the Illinois liquidation proceedings in accordance with the liquidation decree and the Illinois Statutes.

The following statement disclosing matter or ground making against the jurisdiction of the Supreme Court of the United States as asserted by the appellant in his Jurisdictional Statement herein is filed in accordance with the provisions of paragraph 3, rule 12 of the Supreme Court of the United States:

I

This is not a case "where there is drawn in question the validity of a statute of any State on the ground of its being repugnant to the Constitution, treaties, or laws of the United States."

The Supreme Court of Illinois in its opinion, attached to Appellant's Jurisdictional Statement, found the facts as follows: On February 9, 1938, a decree was entered appointing a Liquidator and decreeing that the Director of Insurance of the State of Illinois take possession of the property of Chicago Lloyds and liquidate the same in accordance with Article XIII of the Illinois Insurance Code of 1937. On February 15, 1938, an order was entered fixing the time and procedure for the filing of claims requiring claims to be presented to the Liquidator on or before November 15, 1938. On September 21, 1938, the appellant

filed his claim with the Liquidator. Before the liquidation proceeding began, he had filed suit in the Circuit Court of the City of St. Louis, Missouri, against Chicago Lloyds, After the Illinois liquidation order the suit was no longer defended because that order vested title to all the property and assets of Chicago Lloyds in the Illinois Liquidator. Rather than prove up his claim filed in the liquidation proceedings, appellant elected on April 7, 1941, to take an ex parte judgment for $50,000.00 against Chicago Lloyds. He then filed the judgment in support of his claim and demanded full faith and credit for it against the *res* in possession of the Illinois Liquidator.

On September 19, 1945, the Supreme Court of Illinois decided that the liquidation order vested the title to all assets of Chicago Lloyds in the Illinois Liquidator, to be liquidated pursuant to Illinois law. As this liquidation order was prior to defendant's ex parte judgment in Missouri, the Missouri judgment was denied any effect against the assets held by the Illinois liquidator.

Appellant, pursuant to Section 237 (a) of the Judicial Code (28 U. S. C., Sec. 344(a)), predicates the jurisdiction of this Court upon the sole theory that the validity of a State statute is questioned as being repugnant to the Constitution of the United States. It is claimed that the decision of the Illinois Supreme Court abridges the privileges and immunities of the appellant, denies him equal protection, deprives him of his property without due process, and denies him the benefits of Article IV, Section 1 of the Constitution concerning full faith and credit of judgments of the different states.

Was the validity of a State statute at issue before the Illinois Supreme Court, and did that Court base its decision on that issue?

It is submitted that the decision of the Illinois Supreme Court merely involved the construction of Illinois Statutes

and the giving of full faith and credit to that construction.

In its opinion the Illinois Supreme Court surveyed the Illinois Statutes concerning liquidation set forth in Article XIII of "An Act to revise the law relating to insurance," referred to as the Insurance Code. The Court's summary of this Statute is as follows:

> "Section 188 of the Insurance Code, (Ill. Rev. Stat. 1943, chap. 73, par. 800,) specifies the grounds upon which the Director of Insurance and the Attorney General may petition a circuit or superior court for an order to show cause why an insurance company should not be liquidated. Section 189, (par. 801,) of the Insurance Code provides the court may issue an injunction to protect the assets of such insolvent company. Section 190, (par. 802,) provides, upon full hearing, the court may enter an order either to dismiss the proceeding, or find cause exists, and order the Director of Insurance to take possession of the property, business, assets, and affairs of said insolvent insurance company, and liquidate them according to law. Section 191, (par. 803) provides that the Director, as liquidator, is vested by law with title to the property, contracts and rights of such insolvent insurance company, as of the date of the order entered by the court. Section 193, (par. 806,) provides that creditors, except those holding contingent claims, shall, unless otherwise ordered by the court, be fixed as of the date of the entry of the order directing liquidation. Section 208, (par. 830,) directs the manner of fixing the time to file claims, after an order has been entered declaring the company insolvent. Section 209, subsection (3), (par. 821.) provides how and under what conditions a contingent claim may be allowed, with a limitation that the claim must become absolute against the company on or before the last day fixed for filing the proofs."

The full text of the Statute appears in Appellant's Jurisdictional Statement. The Illinois Supreme Court ascer-

tained as a matter of local law that the Illinois Liquidator became vested with title to all of Chicago Lloyds' property on February 9, 1938, the date of the liquidation order. Thus the Court stated:

> "In view of the foregoing we hold that the Director of Insurance of the State of Illinois, as Liquidator of Chicago Lloyds, upon the entry of the decree of the Superior Court of Cook County of February 9, 1938, became vested with the title to all of its property, wherever situated, and that the courts of other States are required to recognize the rights of such liquidator, established by the judgment or decree authorized by the Illinois statute for the liquidation of insolvent insurance companies."

This is in accord with well established precedent. (*Relf* v. *Rundle*, 103 U. S. 222, 26 L. ed. 337; *Converse* v. *Hamilton*, 224 U. S. 243, 56 L. ed. 749; (*Clark* v. *Williard*, 292 U. S. 112).

Full faith and credit applied to this order of February 9, 1938, gave the Liquidator title to the assets of Chicago Lloyds to be liquidated pursuant to the Illinois law.

As this order was prior to Appellant's ex parte judgment of April 7, 1941, and directed liquidation pursuant to Illinois law, defendant's ex parte judgment has no effect against the Liquidator. Appellant filed his claim in the Illinois liquidation proceeding on September 21, 1938. Instead of pursuing the Illinois process of perfecting his claim in the liquidation proceedings, however, he proceeded to obtain the entry of an ex parte judgment against the insolvent Chicago Lloyds in Missouri, filing this judgment with the Liquidator and claiming full faith and credit for the judgment. The validity of the Illinois Statute is not in issue, nor is Appellant deprived of full faith and credit. His subsequent ex parte judgment merely yields to the prior judgment of the Illinois court.

The Supreme Court goes even further to point out that its decision is based on local law and makes the following statement concerning the appellant's judgment:

> "If such judgment be allowed full faith and credit by the courts of Illinois, it does not necessarily mean such judgment is entitled to be collected out of the assets of Chicago Lloyds."

The Court then cites *Harkin* v. *Brundage*, 276 U. S. 36 and *Penn General Casualty Co.* v. *Pennsylvania*, 294 U. S. 189, to the effect that the uniform rule is that the court which first acquires jurisdiction of the *res* is entitled to retain it and dispose of it in accordance with the law and processes of its jurisdiction. The Court then states:

> "The Superior Court of Illinois, by a decree finding insolvency, thus had obtained jurisdiction of the *res* by the law vesting title in the liquidator and such liquidator is entitled to keep and retain such possession to the exclusion of the process of any other court."

The claimant here filed his claim in the Illinois proceeding, recognizing its jurisdiction, but when it came to proving up his claim against the *res* in Illinois, he preferred to take ex parte judgment against the insolvent in another State and assert it in the Illinois proceeding against the estate on the ground of full faith and credit. Having filed a claim in the liquidation proceeding and having failed to perfect his rights under the local law, claimant is barred from recovery *not* because of a violation of his rights under the Constitution, but rather for failure to follow the local law in proving his claim, which he recognized by filing his claim.

The claimant might have proved his claim against the Illinois *res* in the manner provided for by the Illinois Statute and followed by other claimants. He cannot now complain

that he has not had due process, equal protection or that his privileges and immunities have been violated. He had adequate opportunity to prove up his claim in the Illinois proceeding and elected not to do so. Full faith and credit gives the Illinois judgment vesting title in the Liquidator priority. Even if the Missouri judgment were entitled to full faith and credit, it would not be allowed against the *res* in possession of the Liquidator, for once the Liquidator takes charge of the *res*, he must dispose of it in accordance with the law and processes of his jurisdiction.

The validity of a State statute is not involved in this proceeding for the further reason that the ex parte judgment of appellant is void.

Chicago Lloyds was not a corporation, but a statutory entity authorized to conduct an insurance business under the provisions of Section 87 of Article V of the Illinois Insurance Code of 1937 (Paragraph 699 of Chapter 73 of the Illinois Revised Statutes of 1945). That section provides as follows:

> "*Certificate of Authority.* It shall be unlawful for any domestic, foreign or alien Lloyds to transact business in this State unless it has first obtained and has in force a certificate of authority issued by the Director. All certificates of authority issued under the provisions of this Article shall terminate on the thirtieth day of June next following the date of issuance and may be renewed upon compliance with this Code."

An order of liquidation against Chicago Lloyds was entered by the Superior Court of Cook County, Illinois, on the 9th day of February, 1938. The company ceased to be a legal entity either on that day or its legal existence terminated on the subsequent June 30, 1938, when the certificate authorizing it to conduct an insurance business expired by statute. The judgment of appellant was taken on April 7,

1941, approximately three years after the date of the liquidation order against Chicago Lloyds and approximately three years after the expiration date of the certificate authorizing Chicago Lloyds to conduct an insurance business.

No provision of the Illinois Insurance Code of 1937 provides for the dissolution of a company—not a corporation—carrying on an insurance business under an annual certificate for the very apparent reason that when a certificate expires the legal existence of the company is thereupon ended.

When the decree of liquidation was entered and the certificate of authority of Chicago Lloyds expired under the Statute, its legal existence terminated and a judgment subsequently taken against it is void and no provision of the Constitution of the United States has any applicability to a void judgment.

There is no enabling provision of the Statutes of Illinois preserving a right to creditors of an insolvent insurance company to pursue remedies against the insolvent. The Illinois Insurance Code of 1937 provides the only method of liquidating such claims.

II

The Illinois Insurance Code provides a complete method for the liquidation of an insolvent insurance company of the State of Illinois. All parties interested in an insolvent insurance company of the State of Illinois, whether residents within or without the State of Illinois, are bound by the provisions of the code governing the liquidation of such a company. The present case, therefore, presents no substantial Federal question worthy of review in this Court.

The liquidation proceedings under the Illinois Insurance Code of 1937 is a proceeding *in rem*. The title to the assets of the insolvent insurance company is vested in the Director

of Insurance as Liquidator of the insolvent company, under Section 191 of Article XIII of the Illinois Insurance Code of 1937 (Par. 803 of Chapter 73 of the Illinois Revised Statutes of 1945). Article XIII of the Code provides a complete method for the allowance of claims in the liquidation proceeding and for the liquidation of the assets of the insolvent company and their distribution on account of the allowed claims. All parties, wherever located, are bound by the provisions of the Code and the liquidation proceedings instituted in accordance with the provisions thereof. (*Relf* v. *Rundle*, 103 U. S. 222, 26 L. ed. 337; *Converse* v. *Hamilton*, 224 U. S. 243, 56 L. ed. 749; *Clark* v. *Williard*, 292 U. S. 112, 78 L. ed. 1160.) Under the liquidation statutes of the State of Illinois, the Director of Insurance and the Court in which such liquidation proceedings are conducted have exclusive jurisdiction of the allowance of all claims against the insolvent and of the distribution of its assets to those entitled thereto.

Section 194 of Article XIII of the Illinois Insurance Code (Par. 806, Chap. 73 of the Illinois Revised Statutes of 1945), provides:

> "*Rights and Liabilities of Creditors Fixed Upon Liquidation.* The rights and liabilities of the company and of its creditors, except those holding contingent claims, and of its policyholders, stockholders or members and of all other persons interested in its assets shall, unless otherwise ordered by the court, be fixed as of the date of the entry of the order directing liquidation. The rights of claimants holding contingent claims on said date shall be determined as hereinafter provided."

Under the provisions of this section, the Superior Court of Cook County, Illinois, in its Decree of Liquidation entered on the 9th day of February, 1938, fixed the rights and liabilities of all creditors of Chicago Lloyds as of

the 15th day of February, 1938. The claim of appellant, Charles B. Morris, was then pending in the Circuit Court of the City of St. Louis, Missouri, and it was then an unliquidated claim, and under the order of the Superior Court of Cook County, Illinois, its status was fixed as an unliquidated claim in this proceeding as of the 15th day of February, 1938. So far as the liquidation proceedings of Chicago Lloyds were concerned, the Appellant, Charles B. Morris, could not effectually change the character of his claim after the 15th day of February, 1938, although he subsequently proceeded to obtain a judgment. His status in these proceedings having been fixed by the Superior Court of Cook County and the Illinois Statutes, that status being a creditor with an unliquidated claim, his act in subsequently obtaining the entry of a judgment was of no force and effect. His unliquidated claim as fixed by the Superior Court of Cook County was entitled to be filed in the liquidation proceedings, and upon proof of liability and damages sustained, said claim would be allowed and participate in the distribution of the assets of the insolvent company. The appellant, Charles B. Morris, had knowledge of the liquidation proceedings and filed his claim therein on the 21st day of September, 1938, (Abs. 58), and he thereupon submitted himself to the jurisdiction of the liquidating court.

At the time of the entry of the Order of Liquidation by the Superior Court of Cook County, Illinois, on February 9, 1938, that Court, in accordance with the provisions of Section 189 of Article XIII of the Illinois Insurance Code (Paragraph 801 of Chapter 73 of the Illinois Revised Statutes of 1945), issued an injunction, and that injunction in part (Abs. 5) provided that

> "It is further ordered, adjudged and decreed that the rights and liabilities of Chicago Lloyds and of its creditors (except those holding contingent claims) and

of its policyholders, underwriters and all other persons interested in its assets are fixed as of 12 o'clock, noon, Central Standard Time, February 15, 1938; that all creditors and other persons having claims against said Chicago Lloyds are immediately enjoined and restrained from instituting any suit or proceeding intended for the purpose of obtaining a judgment against Chicago Lloyds, from having any execution issued against it upon any judgment heretofore entered against it, from taking any action which would or might interfere with the liquidation or relator's possession and control or title, right or interest in or to the business or property of Chicago Lloyds, from in any manner interfering with the conduct of said liquidation by relators, and all persons are hereby immediately restrained and enjoined from obtaining or attempting to obtain preferences, judgments, attachments or other like liens, and from making any levy against Chicago Lloyds, or its property, assets, books or records, while the same are in the possession and control of relator and until the further order of the court."

By filing his claim in the liquidation proceedings, the claimant submitted himself to the jurisdiction of those proceedings and to the injunction order entered by the Superior Court of Cook County, and there is a stipulation in the record (Add. Abs. p. 5) which indicates that the claimant, Charles B. Morris, had notice of the injunction. Although his rights were fixed as a creditor of the insolvent company as of the 15th day of February, 1938, and although the injunction order of the Superior Court of Cook County enjoined him from proceeding to obtain judgment, he nevertheless did proceed to obtain his judgment, and in this proceeding seeks to compel the Superior Court of Cook County to recognize that judgment taken three years after his rights were fixed as a creditor and taken in violation of the injunction order of that Court.

The full faith and credit clause does not affect the power of a state to control the transfer and distribution of property situated within its borders.

A concise statement of the rule is found in 5 R. C. L. 927 (citing cases) as follows:

> "The dominion of a state over personal property within its borders is complete and its rights to regulate its transfer and subject it to process and execution in its own way and by its own laws is unquestioned."

The Supreme Court of Illinois followed well settled law in construing its statutes to give the Liquidator title to all the assets of Chicago Lloyds. *Relf* v. *Rundle*, 103 U. S. 222, 26 L. ed. 337; *Converse* v. *Hamilton*, 224 U. S. 243, 56 L. ed. 749.

This Illinois liquidation order and the Illinois Liquidation Statute are entitled to full faith and credit. The ex parte judgment of claimant, which was taken with notice of the prior Illinois liquidation decree and with notice of the Illinois Liquidation Statute, is of no force and effect and its disallowance in the liquidation proceedings does not involve the Full Faith and Credit Provision of the Federal Constitution.

The Supreme Court of Illinois made its decision on well settled law, stating

> "No case has been called to our attention which gives to the judgments of one State the force and effect that it has therein as against a prior judgment in another State, under which possession of property has been taken by the officer of the latter court. In such instances the rule seems to be uniform that the court which first acquires jurisdiction over the *res* is entitled to retain it and dispose of it in accordance with the law and processes of its jurisdiction. *Harkin* v. *Brundage*, 276 U. S. 36, 72 L. ed. 457; *Penn General Casualty Company* v. *Pennsylvania*, 294 U. S. 189, 79 L. ed. 850.

Illinois, by its Insurance Code, provided a way for the Missouri claimant to file and perfect his claim in the Illinois liquidation proceeding. He failed to perfect his rights under the Illinois law controlling the distribution of the *res*. Under such circumstances, the full faith and credit clause of the Federal Constitution will give him no further right against the Illinois *res*.

From the foregoing it is manifest that the Illinois decision is based on well established precedent, and a substantial federal question is lacking for decision by this Court.

III

The decision of the Supreme Court of Illinois is not repugnant to the full faith and credit clause of the Constitution of the United States or to the laws enacted thereunder.

The full faith and credit clause of the Constitution (Article IV, Section 1) requires only that the judgment rendered by a court of a sister state be accorded the same faith and credit that it would have in the sister state. What faith and credit it is entitled to in the state where rendered is determined by the law of that state. *Adams* v. *Saenger*, 303 U. S. 59, 82 L. ed. 649; *Gasquet* v. *La Peyre*, 242 U. S. 673, 61 L. ed. 367, 37 S. Ct. 165; *Chicago, etc. Ry. Co.* v. *Wiggins Ferry Co.*, 119 U. S. 622, 30 L. ed. 519, 7 S. Ct. 398; *Hanley* v. *Donoghue*, 116 U. S. 3, 29 L. ed. 535, 6 S. Ct. 242.

The law of Missouri was considered by the Supreme Court of Illinois in the present case. It found that the statutes and decisions of Missouri gave no right to the holder of a judgment entered in Missouri against a foreign insurance company subsequent to the entry of a decree of liquidation in the domiciliary state, to enforce his judgment against any assets located in Missouri of the foreign insurance company in liquidation. Mo. Rev. Stat. (1929)

Sec. 5947. *McDonald* v. *Pacific States Life Insurance Company*, 343 Mo. 1232, 124 S. W. (2d) 1157.

Therefore, the decision of the Supreme Court of Illinois, construing Article XIII of the Illinois Insurance Code, is not repugnant to Article IV, Section 1 of the Constitution of the United States. The Illinois Liquidator and the Illinois courts, in requiring appellant to prove his claim in the Illinois liquidation proceeding, did not give any less recognition to the Missouri judgment than would be accorded it under the declared law of the State of Missouri. In so holding, the Illinois courts imposed no greater or different burden upon appellant than it imposed upon its own citizens having claims against Illinois insurance companies in liquidation. *Evans* v. *Illinois Surety Company*, 319 Ill. 105.

Conclusion

The Appellant seeks to obtain a ruling in this Court which, if granted, would destroy the statutory plan of liquidation of insolvent insurance companies adopted by Missouri, Illinois and most of the other States. The Federal Bankruptcy Act excepts insurance companies from its operation (11 U.S.C.A. Sections 22 (a) and 22 (b); *Vallely* v. *Northern Fire & Marine Ins. Co.*, 254 U. S. 348), and this Court has indicated its disapproval of Federal jurisdiction over insolvent insurance companies by way of equity receivership (*Commonwealth of Pennsylvania* v. *Williams*, 294 U. S. 176; *Gordon* v. *Ominsky*, 294 U. S. 186; *Penn General Casualty Co.* v. *Pennsylvania*, 294 U. S. 189), leaving the subject matter to the states. The liquidation of insolvent insurance companies under state statutes would be hopelessly confused were the Liquidator appointed by the domiciliary state forced to go into each state in which suits were pending against the company when placed in liquidation and there defend against all such claims.

Appellant, by urging that the Statutes of Illinois violate the Federal Constitution and laws, argues for the emasculation of orderly liquidation and distribution provided by those Statutes and by the Statutes of his own and of a majority of the States, which are designed to preserve the same rights to all creditors as are preserved by the Federal Bankruptcy Act.

Motion to Dismiss Appeal or to Affirm Judgment of the Supreme Court of Illinois

Now comes N. P. Parkinson, Director of Insurance of the State of Illinois, as Liquidator of Chicago Lloyds, Appellee, by his attorneys, and, for the reasons set forth in the above and foregoing Statement of Appellee Concerning Jurisdiction filed under the provisions of Paragraph 3, Rule 12 of the Supreme Court of the United States, respectfully moves the Supreme Court of the United States to dismiss the appeal of Charles B. Morris, or, in the alternative, to affirm the judgment of the Supreme Court of Illinois.

Dated at Chicago, Illinois, this 4th day of March, A. D. 1946.

Respectfully submitted,

FERRE C. WATKINS,
General Counsel, Department of Insurance of the State of Illinois, of Chicago, Illinois;
OTIS F. GLENN,
RAYMOND G. REAL,
OTTO W. BARNES,
All of Chicago, Illinois, Attorneys for Appellee, N. P. Parkinson, Director of Insurance of the State of Illinois, as Liquidator of Chicago Lloyds.